

FOCUS ON: OWN LABEL/PLMA SHOW PREVIEW**EVEN BETTER THAN THE BRAND THING**

Are retailers working hard enough to give own-label lines the cachet of brands? **p55**

**NPD IS THE NAME OF THE GAME**

Standout own-label innovations, from pizzas to duvet covers **p56**

THE NEW WORLD OF PRIVATE LABEL

What PLMA's biggest show yet has to offer you, and why you shouldn't miss it **p58**



OWN LABEL UPS ITS GAME

Shoppers traded down to own label in droves when the economy faltered, but retailers have been working hard to make sure they don't trade back up, finds **Guy Sheppard**

Own label hit the headlines last November when thwarted shoppers turned to eBay, bidding up to £250 for Heston Blumenthal's Hidden Orange Christmas Pudding for Waitrose (rsp: £13.99 for 1.2kg).

The story is significant because own label is at a crossroads. Demand was boosted by the recession, but brands have fought back over the past year with an intense barrage of promotional activity. This has in turn prompted retailers to up the ante by revamping their own-label ranges (see page 56) and investing heavily in strong-growth, high-margin premium products – such as the Heston Blumenthal pudding.

But with the price gap between branded and own-label now at a historic low, can own label maintain the momentum?

Interest in own label has never been greater – next month's PLMA World of

Private Label (see p58) is the biggest yet. But consumer spend on branded food grew marginally faster last year [Kantar Worldpanel 52w/e 23 January 2011] and Mintel predicts that the category will have grown 24% in the five years to 2015, down from 25% in the previous five years [Private Label Food and Drink – UK, March 2011].

Whether we're going to see a marked shift back to branded is difficult to say, but

the growth of own label is undoubtedly being constrained by the unparalleled levels of branded promotions, believes Bryan Roberts, retail insights director of Kantar Retail, and a speaker at World of Private Label. However, he believes the long-term prospects for the category remain strong. "Own label has become an established part of shoppers' repertoires, regardless of the economy," he explains. "I believe its general trajectory will remain in an upwards direction for many years to come."

Belinda Youngs, own-brand director at Morrisons, agrees. "Trends imply that own label will continue to grow, particularly in areas associated with 'added value'," she says. "The big four dominate, but there is very little difference between them in strategy or architecture. In the current time of austerity it is clear the customer values 'value', not just price, and retailers

PLMA SHOW: KEY FACTS

Where: RAI Exhibition Centre, Amsterdam

When: 24-25 May 2011

What: PLMA's biggest exhibition yet, featuring more than 3,600 stands and attracting buyers from the world's leading supermarkets, department stores and wholesalers.

Visit: www.plmainternational.com

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LAUNCHING: May 2011

PANCETTA, PEA SHOOT & MINT PESTO TART

The Co-operative Group

This limited-edition tart is one of 50 products being added to The Co-operative's premium Truly Irresistible range. Baked in puff pastry, the tart has a creamy cheese sauce, with pea shoot and mint pesto and a pancetta garnish. It will retail at £3 in selected stores. The Co-operative says the relaunch of Truly Irresistible this summer will give it a sleek, elegant new look and expand the existing 350-strong product range.



LAUNCHED: MARCH 2011

YOO YOGHURTS

Tesco

Tesco is hoping to revitalise the yoghurt market with its new Yoo range of fat-free and low-fat yoghurts. It claims the range is 20% cheaper than leading brands and has a higher-than-average fruit content. A Union Jack on the packaging highlights the 100% British milk content. The rsp is £2.89 for six pots or £1.40 for four pots in the low-fat line.



LAUNCHED: MARCH 2011

THIN AND CRISPY PIZZAS

Budgens and Londis

Budgens and Londis have added two pizzas to their growing frozen Italian food range. The Margherita and Pepperoni (rsp: £1.79) pizzas are targeted at cash-strapped shoppers, and can be ready to eat in 14 minutes. The launch is supported by bespoke point-of-sale materials for both stores.



LAUNCHED: MARCH 2011

ELEGANT LIVING

Asda

Asda has entered the higher-tier homeware market with a collection that ranges from bone china dinner sets to Egyptian cotton bath sheets. The range has been developed in-house and is based on customer feedback. Asda says it competes well with other retailers' premium ranges. Bedding includes a super king-sized feather duvet (rsp: £50) and cover (rsp: £33).

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need to resist the urge to fall back purely on price when all indicators lead to the persistent opportunity to add value.”

One of the most successful new own-label ranges is Essential Waitrose, launched in 2009 and already accounting for 17% of sales, according to the retailer. But Waitrose has also invested in its Seriously range of desserts and its recently acquired Duchy brand at the other end of the pricing spectrum. Asda, meanwhile, may have hailed its Chosen by You rebranding exercise for 3,500 products as the biggest own-label relaunch in UK retailing history, but it has tweaked its Extra Special range, too.

Finest and Taste the Difference have also been revamped by Tesco and Sainsbury's respectively. The Co-operative is preparing to relaunch its Truly Irresistible range in May and Morrisons is gearing up to overhaul its entire own-label offer in the wake of Young's' December appointment. “Customer-led development of the own-label programme will be a major part of the company's strategic development in 2011-2015,” she says.

The increasing breadth and sophistication of own-label ranges is consigning any stigma that was once attached to the sector to history, believes Datamonitor consumer analyst Mark Whalley. “A decade or so ago, own label was regarded with scepticism as a cheaper alternative,” he says. “Now, there may be two or three different tiers, from the very cheap to lines that are a step up.”

He cites a Datamonitor survey of more than 1,100 consumers that reveals three-quarters saw no difference between own-label and branded products, while 20% found the former superior.

Faced with mounting competition from own label, brands cannot just promote their way out of trouble, he says. “Brands can no longer rely on own label simply being the cheap alternative,” he says. “It's putting huge pressure on them to improve their products and marketing.”